

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 _ 1 4

2. STATE:

Texas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

CFR 42 § CFR 42 §440..40

7. FEDERAL BUDGET IMPACT: See Attachment

a. FFY 2000 \$ -0-
b. FFY 2001 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

See Attachment

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

See Attachment

10. SUBJECT OF AMENDMENT: Amendment No. 579 This amendment clarifies that prospective rates will be retroactively adjusted for failure to meet staffing and/or spending requirements and changes the reimbursement rate determination from once a year to once every two years.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Sent to Governor's Office this date. Comments, if any, will be forwarded when received.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Linda K. Wertz

13. TYPED NAME:

Linda K. Wertz

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

September 10, 2000

16. RETURN TO:

Linda K. Wertz
State Medicaid Director
Health and Human Services Commission
Post Office Box 13247
Austin, Texas 78711

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09-26-00

18. DATE APPROVED:

November 2, 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

September 1, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

Andrew A. Fredrickson

21. TYPED NAME:

Andrew A. Fredrickson

22. TITLE: Acting Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

Attachment to HCFA-179 for
Transmittal No. 00-14, Amendment No. 579

Number of the
Plan Section or Attachment

Attachment 4.19-D

Page 1

Page 5

Page 11

Number of the Superseded
Plan Section or Attachment

Attachment 4.19-D

Page 1 (TN96-18)

Page 5 (TN96-18)

Delete

Attachment 4.19-D

REIMBURSEMENT METHODOLOGY FOR NURSING FACILITIES

The Texas Health and Human Services Commission (HHSC), the Single State Medicaid Agency has final approval authority of Medicaid rates. HHSC determines nursing facility (NF) Medicaid payment rates after consideration of analysis of financial and statistical information, and the effect of the reimbursement on achievement of program objectives, including economic conditions and budgetary considerations.

(I) General

- (A) Uniform Rates. Reimbursement rates are uniform statewide for the same class of service.
- (B) Prospective Rates with a Retrospective Adjustment. Reimbursement rates are determined prospectively with a retrospective adjustment for failure to meet staffing and/or spending requirements.
- (C) Unit of Service. The unit of service reimbursed is a day of care provided to a Medicaid client by a Medicaid contracted NF. A day is defined as a 24-hr period extending from midnight to midnight.
- (D) Frequency of Rate Determination. Rates are determined for a period of two years.
- (E) References in the text to the Texas Department of Human Services (DHS) should be considered to be references to HHSC or its designee.

STATE <u>Texas</u>	A
DATE REC'D <u>07-26-00</u>	
DATE APPV'D <u>11-22-00</u>	
DATE EFF <u>07-01-00</u>	
HCFA 179 <u>00-14</u>	

Supersedes: 96-18

- (V) Allowable and unallowable costs. Allowable and unallowable costs are defined to identify expenses which are reasonable and necessary to provide client contracted care and are consistent with federal and state laws and regulations.
- (1) Allowable costs. Allowable costs are expenses, both direct and indirect, that are reasonable and necessary in the normal conduct of operations to provide contracted client services meeting all pertinent state and federal requirements. Only allowable costs are included in the reimbursement determination process.
 - (2) Unallowable costs. Unallowable costs are expenses that are not reasonable or necessary. Providers must not report as an allowable cost on a cost report a cost which has been determined to be unallowable.
 - (3) Detailed definitions. Detailed definitions of allowable and unallowable costs are prescribed in Title 1 of the Texas Administrative Code, Chapter 355, relating to Cost Determination Process.
 - (4) Changes to allowable and unallowable costs. Whenever a change is made to the definitions of allowable and unallowable costs as described in subsection (3) above which is anticipated to cause a change in the rate payable to a provider, a state plan amendment will be submitted.

STATE <u>Texas</u>	A
DATE REC'D <u>07-26-00</u>	
DATE APPV'D <u>11-02-00</u>	
DATE EFF <u>09-01-00</u>	
HCFA 179 <u>00-14</u>	

Supersedes: 96-18

Computer Hardware and Software Costs Necessarily Incurred to Automate the MDS 2.0 Resident Assessment Form.

Pursuant to the settlement agreement and court order in Texas Health Care Association versus Terry Trimble, Civil Action #A-96-CA-774-SS, the department reimburses facilities via a voucher system for costs necessarily incurred to automate the MDS 2.0 resident assessment form. This payment is not part of the facility reimbursement rate and is a separate payment amount reimbursed through the voucher. The department will reimburse facilities up to \$4,000 per facility. Reimbursement will be adjusted for percent Medicaid days of service.

Deleted per TN 00-14

STATE <u>Texas</u>	A
DATE REC'D <u>03-31-97</u>	
DATE APP'D <u>06-04-97</u>	
DATE EFF <u>02-01-97</u>	
HCFA 179 <u>97-02</u>	

SUPERSEDES: TN - 95-05